

# Aegon Polish Equity Fund institutional series

## GENERAL INFORMATION

Fund Manager:	AEGON Hungary Fund Manager Ltd.
Custodian:	Unicredit Bank Hungary Zrt.
Main distributor:	AEGON Hungary Fund Manager Ltd.
Benchmark composition:	60% WIG-20 Index + 35% WIG-40 Index + 5% WIBOR 3M Index
ISIN code:	HU0000710850
Start:	11/18/2011
Currency:	PLN
Total Net Asset Value of the whole Fund:	165,290,014 PLN
Net Asset Value of institutional series:	118,093,549 PLN
Net Asset Value per unit:	1.202611 PLN

## INVESTMENT POLICY OF THE FUND:

The fund aims to share in the yields of the Polish equity market, and to profit from Poland's economic growth through share price gains and dividend income. Given the risk profiles of the equity investments, the fund is classified as a high-risk investment. The fund manager's intentions are that the fund's portfolio should consist predominantly of the publicly traded shares of foreign-domiciled companies. The fund's primary investment targets are the exchange-traded securities of companies that are active in Poland or that generate the bulk of their revenues there, or whose shares are listed on the Warsaw Stock Exchange. The fund may also invest in the shares of other Central and Eastern European corporations. These are listed as Austria, the Czech Republic, Hungary, Russia, Romania and Turkey, although the portfolio will always chiefly consist of the shares of companies listed on the Warsaw Stock Exchange. When building the fund's portfolio, beyond the minimum statutory requirements, the principles of safety and maximum diversification (the spreading of risk) are observed. Accordingly, only publicly issued securities listed or in the process of being listed on the stock exchange will be purchased as equity investments. The fund management company, exercising all due care, determines the means of utilising the fund's resources on the basis of its own judgement and decisions, while observing the relevant legal provisions and the limitations stipulated in the Fund Documentation and by taking into account the macroeconomic environment of the investment markets, relying primarily on fundamental analysis. When compiling the portfolio, it is shares that determine the nature of the fund, and thus the proportion of shares that may be held in the fund at any given moment may reach the prevailing statutory maximum. The weights of the shares within the portfolio are determined so as to ensure that the fund - in line with our expectations with regard to future risks and yields - achieves its objective, which is to outperform the benchmark advertised by the fund, over the longer term. The fund holds more than 30% of its assets in a currency other than the domestic currency (HUF). In accordance with the current legislation, the proportion of shares in the portfolio may be up to 100%.

## DISTRIBUTORS

Aegon Towarzystwo Ubezpieczeń na Życie Spółka

## NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	3.67 %	1.60 %
2016	11.88 %	9.38 %
2015	-10.34 %	-11.98 %
2014	-0.78 %	-2.02 %
2013	0.69 %	-1.47 %
2012	24.40 %	16.71 %

## NET PERFORMANCE OF THE SERIES

### NET ASSET VALUE PER SHARE, 01/01/2016 - 12/31/2016



— Aegon Polish Equity Fund institutional series — Benchmark

Past performance is no guarantee of future results. This report should not be considered as an offer or investment advisory. The Fund Prospectus contains the detailed conditions of the investment. The distribution costs of the fund purchase can be found at the distributors.

## MARKET SUMMARY:

Positive mood continued in the markets in December since main equity indices soared without exception during the last month of the year. Apart from the supportive technical picture and improving global growth, record inflow into equities in the US, weakening euro and lower weight in equity positions before the Italian referendum in Europe and declining yen and favorable macro data in Japan helped the markets. There were several interesting actions from central banks in December as both ECB and FED made important decisions in their monetary policy. The European Central Bank extended its QE bond purchases program until next December. However, it reduced its monthly purchases from 80 billion to 60 billion. Investors closed their euro long positions because the announcement differed from the previously expected market consensus. Weaker euro had a positive effect on the European markets. The FED raised its key interest rate by 25 bps to 0,75% which were in line with expectations but Yellen indicated a more hawkish view on the anticipated pace of monetary tightening. As a result, increasing dollar power was a determinant market factor during the month. The strength of dollar fueled fears in emerging markets where market participants worry about a prospective currency crisis. Also, rising US yield put high pressure on emerging countries that have huge amounts of dollar-denominated debt. While Italian Prime Minister Renzi resigned after losing the referendum. Oil prices jumped to their year-to-date highs in December thanks to the positive market environment. Additional production cut and closing of short positions supported the strengthening of the commodity. Industrial and precious metals did not perform well during the month as strong dollar had a detrimental effect on their prices.

Polish equities had an exceptional month in the last month of the year because of the decreasing regulatory risks, supporting macro processes and foreign investors' rising Polish weight. For these reasons, the fund gained its large cap stocks exposure in its portfolio. From a sector level, utilities and banking sector outperformed the region.

## ASSET ALLOCATION OF THE FUND ON 12/31/2016

Asset type	Weight
International equities	96.93 %
Current account	3.31 %
Liabilities	-0.39 %
Receivables	0.14 %
total	100.00 %
Derivative products	0.00 %
Net corrected leverage	100.00 %

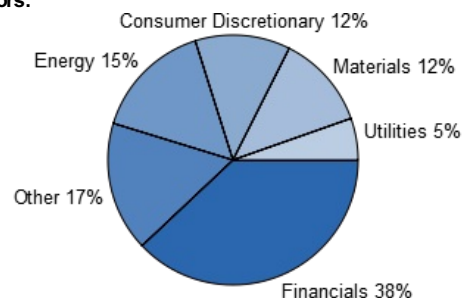
## TOP 5 POSITIONS

Polski Koncern Naftowy  
PKO Bank  
POWSZECHNY ZAKŁAD UBEZPIECZEŃ  
Bank Pekao SA  
KGHM Polska SA

## Assets with over 10% weight

There is no such instrument in the portfolio

## Stocks by sectors:



## RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields: 13.68 %

Annualized standard deviation of the benchmark's weekly yields: 13.81 %

## INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:

